



Seccl Order Execution Policy

1. Introduction

The Order Execution Policy is aimed at providing Seccl customers (Investment Services Providers) and/or their Clients (where this information is made available by the Investment Services Provider to the Client) with a general understanding of our typical dealing arrangements, and how these arrangements may vary for different categories of investment types.

Investment Service Providers consent to this Policy and it will apply each time we execute or procure the execution of orders for the clients of our customers. This Policy will also be made available on our website.

2. Policy Objectives

The objective of this Policy is to set out how Seccl Custody Limited (SCL) approaches the execution of client orders for retail and professional clients in accordance with regulatory requirements.

The FCA requires SCL to take all sufficient steps to obtain the best possible results for clients when executing or procuring the execution of orders, taking into account the execution factors and that intended outcomes can be successfully achieved on an on-going basis

3. Scope of Policy

This policy applies to transactions in exchange traded instruments, unit trust and OEICs for retail and professional clients.

4. Governance and Oversight

The Operations Committee maintains oversight of the adequacy and effectiveness of SCL's order execution arrangements.



First line of defence is responsible for ensuring that SCL and appointed counterparties who execute orders in the market on SCL's behalf have adequate best execution policies, continue to comply with those policies and are providing best execution.

Second line of defence is responsible for ensuring the adequacy and effectiveness of SCLs control environment and that it remains within its risk accepted position.

5. Risk Appetite

SCL has a low appetite for the risk of failures of best execution requirements and the consequent potential for customer detriment and/or financial loss.

Orders may be aggregated by SCL and the counterparties appointed by SCL and SCL has accepted and discloses in the published Order Execution Policy the potential risk that this may act to the disadvantage of some clients.

6. Transmission

Exchange traded orders

We place all Exchange Traded orders (equities, investment trusts and exchange traded funds (ETFs)) with Winterflood Business Services (“**WBS**”) for execution. In selecting WBS as our third party broker for execution, we have considered a number of factors, including (but not limited) to:

- the size and type of the transaction/order and the broker's capabilities with respect to the relevant type of order, including its ability to execute the order in an appropriate timeframe;
- the competitiveness of applicable fees and commissions, which may be based on the size of the order or the price of the financial instrument;
- the broker's reputation and responsiveness to requests for trade data and other financial information;
- the broker's system capabilities of routing orders to execution venues where good liquidity is likely to be present;
- statistics and other information by independent consultants on the relative quality of execution services/financial services delivered by the broker;
- past performance in terms of the general value and quality of services provided by the broker;



- consistency of execution services provided.

We have satisfied ourselves that WBS has arrangements in place that enable us to meet the best execution obligation to our clients.

The execution factors applied by WBS when executing any client orders that we place with them are set out in section 7 of this policy. The current execution venues used by WBS are detailed in section 14 of this policy.

Unit trusts and OEICs

For Unit Trusts and OEICs, client orders will generally be routed to the appropriate fund manager for execution at the next available valuation point for that particular fund. Clients' orders may be aggregated as described in section 10.

7. Best Execution Factors applied by WBS

When executing orders, unless otherwise specifically instructed, WBS will use price as the primary measure for achieving Best Execution. The following execution factors will be considered, and how these may be considered as part of the decision-making process in the context of the details below (listed in order of priority for a typical trade). Their importance will vary depending on the characteristics of the client order.

Price - Price will be determined with reference to the execution venues to which WBS connects and on which the security is traded. WBS use automatic execution technology which will source the best price from a range of retail service providers and market makers (see Section 14). Where an electronic price is not available the order will be dealt manually by WBS's dealing team.

Cost - for orders where brokerage or exchange fees are applicable, WBS will not seek to pass these on to you. For international orders, certain costs (e.g. foreign exchange 'FX') may be passed through to you within the price spread, but WBS deem this to still result in the best overall outcome and hence total consideration for you. Any relevant commission rates will have been agreed with the client in advance.

Likelihood of Execution and Settlement - Likelihood of execution is very high due to the relationships WBS has forged with its market maker and broker counterparties. Likelihood of settlement is difficult to assess pre-trade, but WBS monitors the settlement performance of each counterparty so there is a historical track record to base this decision on.



Size - The size of the trade in relation to the **liquidity** of the stock may have significant influence on the best execution process and is directly correlated to the market impact (implicit costs).

Nature - Consideration will be given to the **liquidity** of the stock on the order book at the relevant time. Execution may be heavily influenced by the level of on or off order book trading patterns in the stock. These factors plus the size of the order will determine the appropriate execution method. This may include the working of an order into the market place using an appropriate benchmark or immediate execution on an outright bid/offer price, for example.

Speed - The importance of speed of transactions will vary. For example, to reduce the implicit costs associated with **market impact**, an order might be worked over a day or more. Different order types and specific instructions may **also** have a bearing on the speed of execution.

Other Relevant Considerations - Careful consideration shall be given not just to each element in isolation, but also to any compromise or interaction between these factors. For example, size against market impact or speed against price, any of which might also be influenced by a client's specific instruction.

8. Order Types

At present, we offer one exchange traded order type:

At Best Order – Deal immediately at the best available price for that size of order based on the execution venues available, without the client viewing the price in advance.

Seccl can facilitate aggregated or Intra-day trading for Exchange Traded instruments (ETI's). Both order types are executed "At Best" via the WBS execution route.

'Intra-day' orders will be sent straight through to market and not aggregated with any other customer orders.



9. Specific Instruction

Where you give us a specific instruction as to the execution of an order, we will execute the order in accordance with those specific instructions and you should be aware that doing so may prevent us from applying this policy to achieve best execution.

Where your specific instructions relate to only part of the client order, we will continue to apply our policy to those aspects of the order not covered by those instructions.

10. Aggregation and Priority

Approach to order aggregation

SCL is required to comply with FCA rules regarding order aggregation. The purpose of this approach is therefore to ensure that clients are treated fairly where orders are aggregated.

SCL can facilitate both Aggregated (bulk) or Intra-day (single) order management. Both exchange order types are placed “At Best” via WBS and on to the market.

Where agreed, SCL will aggregate multiple client orders at firm and product level for the same asset identifier (ISIN) and transmit for execution.

Intra-day single orders from direct customers will be sent in sequential order and not aggregated with any other customer trades.

Potential disadvantage of aggregation

SCL recognises that by aggregating orders, clients may be able to benefit from better prices achieved through larger, bulk transactions, although may not always do so.

There are some circumstances, such as with certain illiquid stocks where, on occasion, clients would not benefit from aggregated orders as for example the size of the aggregated order may exceed the available liquidity of the asset. This may result in a price differential or delay in execution.

Treatment of partial executions

All orders are placed on a ‘fill or kill’ basis ensuring that there are no instances of partial execution.

Fund Orders



For Unit Trusts and OEICs, client orders may be aggregated with other client orders and bulked by Seccl prior to executing with the fund manager.

Fractional Trading

Fractional client orders (selected assets only) will be aggregated by Seccl prior to execution in the market. In addition the aggregated order will be combined with an additional order from the Seccl 'fractional account' that ensures the executed quantity will be a unit of a whole share in the market.

Exchange Traded Orders

For exchange traded orders, WBS may combine client orders with orders for the account of other clients, or for its own account (including in relation to fractional orders). The aggregation of orders may operate on some occasions to a client's (or its customers') advantage and on some occasions to a client's (or its customers') disadvantage in relation to a particular order. The decision to aggregate will be taken in WBS's sole discretion and where orders have been aggregated they will be allocated to clients on a pro-rata basis in accordance with WBS' order allocation policy.

Depending on price and the consideration received, the disaggregation of bulked proceeds may result in penny rounding differences which cannot be allocated at individual client level.

11. Charges, Dilution Levy or Exit Charges

For Unit Trust or OEIC orders fund managers may levy an initial charge on purchase orders and there is a risk that fund managers apply a "dilution levy" to the order. This normally results where there are sizeable buy or sell orders in the market. This is an extra charge placed on the transaction and will be applied proportionately to an order placed.

Should this occur it will be clearly detailed on the order confirmation that we will provide to you.

12. Venues

For exchange traded orders, WBS may use one or more of the execution venues listed in Section 14 to enable it to obtain the best possible outcome on a consistent basis when



executing client orders. WBS will regularly assess the execution venues available to ensure the best outcome for the client. The non-exhaustive list of factors which influence their decisions include:

- Cost of Execution
- Level of liquidity available on a consistent basis – market share
- General quality of pricing available
- Cost, speed and reliability of connectivity; and
- Means and costs of clearing and settlement

13. Monitoring

We will monitor the effectiveness of our policy to ensure that it consistently achieves the best possible result for our clients and to identify whether more favourable results could consistently be achieved by transmitting orders to other brokers or on alternative execution venues. We will review our execution arrangements and this policy at least annually, or whenever a material change occurs that affects our ability to obtain the best possible result for our clients.

Where we identify any deficiencies, we will take appropriate measures and effect suitable changes to our execution arrangements and/or this policy to address such deficiencies.

We will notify you of any material changes to our execution arrangements where they are relevant to you (or your clients) and any changes to this policy. Any such changes will come into effect the next time that we receive a client order for execution.

If you wish to discuss the above or have any further questions, please contact us.

14. Order Venues and RSPs

WBS currently use the following execution venues:

» London Stock Exchange (LSE); including the Alternative Investment Market (AIM).

WBS currently use the following Retail Service Providers (Market Makers/Brokers):

Canaccord



Flow Traders B.V

Investec Bank

Jane Street Financial Limited

Jefferies International Limited

N+1 Singer

Numis Securities

Panmure Gordon Limited

Peel Hunt

Philip Securities

Shore Capital

Stifel Nicolaus Europe Limited

Susquehanna

Virtu Financial

UBS Switzerland AG

and Winterflood Securities.

15. Reporting and Escalation

Any breaches of this policy must be reported to the policy owner.

On an annual basis SCL will ensure escalation to the Risk Committee any concerns about the execution venue or quality by any counterparty executing orders on SCLs behalf.

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